



MONTANA
LOGGING
ASSOCIATION

BUSINESS, LABOR & ECONOMIC AFFAIRS

EXHIBIT No. 8

DATE 2-21-07

BILL No. SB 474

TESTIMONY ... Senate Bill 474 ... February 21, 2007

Mr. Olson
Chairman; members of the committee:

My name is Keith Olson ... and I have enjoyed the privilege of serving as the executive director of the Montana Logging Association for the past 27 years.

Throughout those 27 years, work comp legislation has been of special interest to us because logging is a high-risk profession in a small volume state; therefore, every legislative proposal has the potential to significantly increase the cost of doing business.

With respect to today's logging-related work comp rates, the case can be made that there is relative equity between the plan two and plan three providers.

I say that because about half of the logging-related work comp volume in Montana is with the Montana State Fund; while the other half is with a plan two provider.

And that gets to the heart of our opposition to SB 474.

Montana's employers—and employees, I might add—benefit greatly from the fact that Montana allows for a three-way system, whereby employers may self fund, or work through a private work comp provider, or insure through the Montana State Fund. In fact, over the years, MLA members have participated in all three plans.

Those choices—that competition—serves us well in Montana ... and I respectfully ask that you not tinker too much with the delicate balance that allows all three plans to be competitive.

As an organization, we are not convinced that this legislation is either necessary or beneficial... and, therefore, we urge you to resist it.

Thank you.